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REFERENCE TITLE: **itemized deductions; charitable contributions**

State of Arizona  
House of Representatives  
Forty-seventh Legislature  
First Regular Session  
2005

## **HB 2519**

Introduced by  
Representative Landrum Taylor

**AN ACT**

**AMENDING SECTION 43-1042, ARIZONA REVISED STATUTES; RELATING TO INDIVIDUAL INCOME TAX DEDUCTIONS.**

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 43-1042, Arizona Revised Statutes, is amended to  
3 read:

4 43-1042. Itemized deductions

5 A. Except as provided by subsections B, D and E of this section, at  
6 the election of the taxpayer, and in lieu of the standard deduction allowed  
7 by section 43-1041, in computing taxable income the taxpayer may take the  
8 amount of itemized deductions allowable for the taxable year pursuant to  
9 subtitle A, chapter 1, subchapter B, parts VI and VII, but subject to the  
10 limitations prescribed by sections 67, 68 and 274, of the internal revenue  
11 code.

12 B. In lieu of the amount of the federal itemized deduction for  
13 expenses paid for medical care allowed under section 213 of the internal  
14 revenue code, the taxpayer may deduct:

15 1. For the 1992 taxable year, the amount of such expenses that exceed  
16 six per cent of the taxpayer's federal adjusted gross income.

17 2. For the 1993 taxable year, the amount of such expenses that exceed  
18 four per cent of the taxpayer's federal adjusted gross income.

19 3. For the 1994 taxable year, the amount of such expenses that exceed  
20 two per cent of the taxpayer's federal adjusted gross income.

21 4. For the 1995 taxable year and each taxable year thereafter, the  
22 full amount of such expenses.

23 C. Notwithstanding subsection B of this section, expenses for medical  
24 care that are paid or reimbursed from the taxpayer's medical savings account  
25 pursuant to section 43-1028 shall not be deducted pursuant to this section.

26 D. A qualified defense contractor that is identified and certified by  
27 the department of commerce pursuant to section 41-1508 shall not claim both a  
28 deduction as provided by this section and a credit under section 43-1078 with  
29 respect to the same property taxes paid.

30 E. A taxpayer shall not claim both a deduction provided by this  
31 section and a credit allowed by this title with respect to the same  
32 charitable contributions.

33 F. The taxpayer may add any interest expense paid by the taxpayer for  
34 the taxable year that is equal to the amount of federal credit for interest  
35 on certain home mortgages allowed by ~~internal revenue code~~ section 25 OF THE  
36 INTERNAL REVENUE CODE.

37 G. IN LIEU OF THE AMOUNT OF THE FEDERAL ITEMIZED DEDUCTION FOR  
38 CONTRIBUTIONS MADE TO A CHARITABLE ORGANIZATION, THE TAXPAYER MAY DEDUCT THE  
39 AMOUNT OF SUCH CONTRIBUTIONS MADE DURING THE TAXABLE YEAR PLUS ANY SUCH  
40 CONTRIBUTION THAT IS MADE ON OR BEFORE THE FIFTEENTH DAY OF APRIL FOLLOWING  
41 THE CLOSE OF THE CALENDAR YEAR. A DEDUCTION THAT IS CLAIMED FOR A  
42 CONTRIBUTION THAT IS MADE ON OR BEFORE THE FIFTEENTH DAY OF APRIL FOLLOWING  
43 THE CLOSE OF THE CALENDAR YEAR IS CONSIDERED TO HAVE BEEN MADE ON THE LAST  
44 DAY OF THE PRECEDING TAXABLE YEAR. A TAXPAYER SHALL NOT CLAIM A DEDUCTION  
45 FOR A CHARITABLE CONTRIBUTION UNDER THIS SUBSECTION IF THE TAXPAYER CLAIMED A  
46 DEDUCTION FOR THE CONTRIBUTION IN A PRECEDING TAXABLE YEAR.